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E.O. 12958: N/A

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SUBJECT: SCENESETTER FOR VISIT OF DEPUTY SECRETARY OF DEFENSE AND
SOUTHCOM DEPUTY COMMANDER GENERAL SPEARS

SENSITIVE BUT UNCLASSIFIED; PLEASE PROTECT ACCORDINGLY

1. (SBU) Embassy Port of Spain warmly welcomes your mid-October visit to Trinidad and Tobago. Your trip is an opportunity to heighten bilateral and regional security cooperation, building on last June's Technical Meeting of Military Commanders, Defense Ministerial of the Americas conversations, and Secretary Rice's September 25 initiation of a U.S.-Caribbean security dialogue. It also comes at a time when Trinidad is "punching above its weight" by preparing to host next April's Summit of the Americas and the November 2009 Commonwealth Heads of Government Meeting. In addition, Prime Minister Manning is spearheading efforts to hasten Caribbean economic, political and security integration. While your final schedule is under discussion, we expect it will include Manning, Minister of National Security Martin Joseph, Chief of Defense Edmund Dillon and, time permitting, a T&T official working on Summit of the Americas security.

POLITICAL SNAPSHOT

2. (U) Manning's People's National Movement (PNM) party retained its parliamentary majority when T&T citizens voted November 5, 2007. The PNM won 26 seats to the opposition United National Congress' (UNC) 15. With a secure parliamentary majority, Manning need not call another election until 2012. The new Congress of the People (COP) party also contested the election, scoring relatively well in the popular vote but winning no seats. The PNM and UNC are heavily, but not exclusively, based on ethnicity, with the PNM supported largely by Afro-Trinidadians and the UNC by Indo-Trinidadians. The COP also draws mostly from Indo-Trinidadians, though it consciously sought (as did the other parties) to cross ethnic lines. Even though the PNM holds a majority, passing critical legislation can be difficult due to required "super majorities" on bills impacting constitutional rights. This is sometimes the case with security bills.

SECURITY LEADERSHIP

3. (SBU) Security issues, and especially a spiraling murder rate, were a major focus of the November 2007 elections. In the almost year since that vote, these concerns have only grown in importance. As such, GOTT officials remain centered on reducing crime, seeing this "war" as a two-front problem encompassing the battle within Trinidad's borders, but also transnational/regional threats, including drug trafficking. This conceptualization has led Manning to push efforts at regional security cooperation, most notably last April when he hosted several Caribbean heads of government to advance this effort and in the subsequent June Military Commanders Technical Meeting that included the U.S., UK, France and the Netherlands. As the Caribbean country with the most vibrant economy, Manning sees T&T as the natural leader in this push, bolstered by his formal role inside CARICOM as security lead

CRIME AND NARCOTICS TRAFFICKING

14. (SBU) The reason for T&T's narcotics trafficking concern can sometimes be glimpsed with the naked eye on clear days. Trinidad is just seven miles off the coast of Venezuela at its closest point, making drug trafficking a major challenge. Narcotics from South America transit its waters or move through its airports. The narcotics trade may be linked to the rising number of murders (over 400 so far this year) and other violent crimes that plague the country as weapons enter T&T utilizing the same routes. The government faces a tough battle in trying to control these problems, exacerbated by inadequate border controls, corruption in the police service and a slow judiciary. T&T's vibrant petrochemical industry also has the potential to provide diverted precursor chemicals for use in illegal drug production. The country's growing economy and well-developed banking, communications and transportation systems, facilitate a significant number of sizeable financial transactions that can obscure money laundering.

TERRORISM

15. (SBU) T&T has a considerable Muslim minority, comprising six to ten percent of the population. The majority of Muslims are moderate, but there are a few radicals (witness the JFK case) and some Trinidad Muslims send their children to foreign madrasses and fundamentalist missionaries do come to T&T. The most famous of Trinidad's radical Muslim organizations, though now seen as more of a criminal gang, is the Jamaat al-Muslimeen, a local Afro-Trinidadian group that launched a violent failed coup attempt in 1990. T&T is party to eleven of the twelve UN anti-terror conventions, and in September 2005 passed anti-terrorism legislation. Elsewhere, T&T has come into compliance with the International Ship and Port Facility Security Code (ISPS), and

the T&T Central Bank cooperates with Post in alerting financial institutions to potential sources of terrorist finance.

ECONOMIC SNAPSHOT

16. (U) T&T has a vibrant industrialized economy, buoyed by relatively large natural gas reserves. It is our largest trading partner in the Caribbean and the leading beneficiary of Caribbean Basin Initiative trade preferences. While fiscal policy has generally been restrained, rising spending coupled with a tight labor market have contributed to rising inflation, which reached 11.7 percent year-on-year in July 2008, a fourteen-year high. T&T is considered a low-risk investment destination. With inflation in double digits, its energy sector flat, and several manufacturing sub sectors registering contractions, T&T announced a revised 2008 real GDP growth estimate of 3.5%. This represents a sharp downward revision from the IMF's April estimate of 5.85% and a dramatic slowdown from the average 9% growth over the previous five years. The T&T dollar remains stable in value against the U.S. dollar (at about 6.2/dollar), contributing to the country's attractiveness to foreign investment. Standard & Poor has raised its credit rating for T&T to A- in 2005 and confirmed that rating in 2006 and 2007. The GOTT regularly courts foreign investors, with U.S. companies often taking the lead.

A CLOSER LOOK AT ENERGY

17. (U) Oil was discovered in Trinidad in the mid-19th century, and the local energy industry is celebrating the 100th anniversary of commercial oil production in 2008. After riding the oil boom and bust cycle of the 1970s and 1980s, T&T has made a major transition over the last ten years to an economy driven largely by natural gas, both for export and for consumption in domestic industries, attracting major foreign investment projects in liquefied natural gas (LNG), petrochemicals, steel, aluminum, and plastics. T&T also continues to play a role in regional energy security, supplying refined petroleum products to the rest of the Caribbean, although competition from Venezuela backed by concessionary financing is eroding its regional market share.

18. (U) T&T provides roughly two-thirds of the United States' imports of

LNG, playing an important role in our energy security. For this reason, USG agencies recently conducted a vulnerability assessment aimed at improving protection of critical infrastructure in T&T's energy sector, an initiative that enjoys full cooperation from the GOTT and energy sector companies. USG agencies intend to remain engaged as the GOTT implements our recommendations over the next eighteen months. The GOTT also worked with the U.S. Department of Energy and U.S. Southern Command to host a regional energy infrastructure protection conference in Port of Spain on May 14-15.

REGIONAL INTEGRATION

¶9. (SBU) PM Manning is a strong backer of CARICOM integration. In August, he met with leaders from St Lucia, Grenada and St Vincent and the Grenadines to draft a declaration of support for political and economic integration. Although other CARICOM members like Barbados, Jamaica, and the Bahamas stated they were not interested, Organization of Eastern Caribbean States (OECS) members all have expressed their support. The goal of this effort is economic integration by 2011 and political integration, perhaps along the lines of the EU model, by 2013.

THE SUMMIT PROCESS

¶10. (SBU) As noted, Manning also is raising T&T's international profile by hosting the Fifth Summit of the Americas (SOA) in April 2009 and the Commonwealth Summit in about six months later. T&T has assembled a capable team to manage these meetings, under the leadership of Luis Alberto Rodriguez. Bilateral dialogue on themes and concepts for the Summit has been constructive. Nevertheless, some differences may manifest themselves in declaration negotiations. These may include how to manage "food security," and its connection to energy and biofuels, and how much to "give" to Venezuela (with whom it shares some unexploited cross-border gas fields) on its Summit concerns. Summit logistics also will pose a major challenge.

POLICY DIFFERENCES

¶11. (SBU) Though a friend to the U.S., there are specific areas of policy difference. Due in part to former President Robinson's role as a "father" of the International Criminal Court (ICC), T&T has not signed an Article 98 agreement with the U.S. and likely never will. While not taken with the systems in either Venezuela or Cuba, T&T seeks to maintain positive ties with each of those nations and is an advocate of dialogue between Washington and Caracas and Havana. Its voting record at the U.N. also leaves much to be desired from a U.S. policy perspective, though it is in line with its CARICOM partners.

CONCLUSION

¶12. (SBU) T&T remains an important ally, trading partner and regional leader whose centrality will grow over the coming months as we approach the April Summit and act to bolster security cooperation. We look forward to facilitating a successful visit.

AUSTIN